

# Summary

For many decades the Swedish compulsory school has been characterised by increasing decentralisation of power and responsibility to the municipalities and school management areas. Much of this decentralisation has concerned the financing of compulsory school. What was a strictly regulated central financing system when compulsory school was introduced is today a largely decentralised system in which municipalities and school management areas enjoy a large degree of freedom. The process culminated in the early 1990s with the major municipalisation reform of 1991. The reform is usually described as the last step in the decentralisation process, involving a significant transfer of power regarding responsibility for schools from central government to municipalities. One decisive change involved replacing the earmarked central government grants to compulsory school – which had previously been a prominent part of central government governance of the school system – with a general sectoral grant. Another important aspect of the municipalisation reform was the termination of the previously centrally regulated teaching and school management positions, which meant that the municipalities assumed exclusive employer responsibility for all staff at compulsory school level.

Since the changes to the system of resource distribution to schools in the first half of the 1990s, the municipalities have set their own priorities concerning the level of resources allocated to schools compared with other expenditure areas. The municipalities also have great freedom in distributing school resources between different types of schools, age groups and groups of individuals in need of special support within the same age group. The freedom that municipalities enjoy in terms of resource distribution to compulsory school is therefore multidimensional. In practice, this means that the country's 290 municipalities all have their own

resource distribution systems – with regard to both the total resources to compulsory school and how they are distributed within the different levels of the education system – meaning that no two are alike. In actual fact, Sweden's system of resource distribution to compulsory school therefore consists of 290 different models.

This report discusses the decentralisation of the resource distribution system from the point of view of equal standards in education, measured using different indicators of variations in pupils' goal attainment. Has the decentralisation of decisions concerning the scale and distribution of school resources led to the municipalities using their local knowledge and commitment to the benefit of equal standards? Or has central government withdrawal from responsibility for resource distribution to schools had the opposite effect? Is there a need to reform the system of resource distribution to schools or other organisational aspects, and if so, what reforms should be considered? These are some of the questions dealt with in this report.

Preschool, upper secondary school and other types of school have, like compulsory school, undergone significant changes in recent decades, not least with regard to the resource distribution system. Preschool and upper secondary school were also partly financed using earmarked central government grants until these were merged into a general central government grant in 1993. In addition, preschool has undergone major changes in its resource distribution system since 2000. Of particular importance was the 'maximum charges reform' in 2000, which set a ceiling for the fees paid by parents of children attending preschool. Furthermore, preschool became an integral part of the education system with the introduction of a preschool curriculum of its own in 1998.

Chapter 2 discusses what constitutes equal standards and the value of equity in education. The analysis is based on the assumption that equity in education standards is desirable. It concludes that consistency of standards probably becomes more important as the economy becomes more globalised, making the redistribution of resources in ways other than building human capital more difficult. Chapter 3 offers an overview of how comparable pupils' school performance is today and of the trends over time. The overview shows that equity has probably declined in schools since municipalisation. It is difficult to determine the role that this specific reform has played in the decline. The

municipalisation reform coincided with several other extensive reforms in the area of education. In 1992, a reform was introduced making it possible for parents to choose any school in the municipality for their children, subject to places being available. In the same year, the municipalities were required to finance independent schools approved by the National Agency for Education. Another reform during the same period was the decentralisation to school level in 1995 of responsibility for salary negotiations. These reforms were implemented during a turbulent period for the Swedish economy. The economic crisis in the early 1990s had a severe impact on the municipalities' finances and many municipalities were burdened with large deficits.

The decline in equity in education should be considered against the backdrop of the likely beneficial effect that developments in preschool alone have had on equity. This is clearly indicated by increased accessibility and the elimination of disparate participation levels between children from different socioeconomic backgrounds. There is reason to believe that the decline in equity would have been even greater without the improved accessibility of preschool. The factor or factors that have negatively influenced equal standards are therefore probably stronger than the absolute decline in equity would suggest.

Furthermore, there is the fundamental question of whether participation in preschool and differences in preschool and compulsory school resources have any effect at all on pupils' performance. If this is the case, the next question is how great are the effects of different resources, such as teacher/pupil ratios and teacher skills and qualifications, and on different groups of pupils, for example with regard to parents' educational background or pupils of different ages. If resources had no effect whatsoever on school performance, then it would follow that equity in education is not affected by the structure of the resource distribution system. A summary of the research in these areas is presented in chapter 4. One important research conclusion is that participation in preschool can have a positive impact on later academic performance, labour market outcomes, etc. Another conclusion is that resources are significant for younger children and pupils, and for children and pupils from less advantaged social backgrounds.

A description of how Sweden's resource distribution system has changed over time and how it has functioned in practice is presented in chapter 5 (preschool) and chapter 6 (compulsory

school). The system of resource distribution to compulsory school has undergone continual changes ever since compulsory school was introduced in 1962. However, the chapter focuses on the system from just before the major municipalisation reform of 1991, to the present day. Preschool and compulsory school activities are also briefly described in their historical context to provide a better understanding. Chapter 7 discusses the resource distribution system's normative design, based on theories concerning the optimal division of responsibilities between central government and municipalities. Although these theories can provide some guidance in this area, there are no clear-cut findings. Chapter 8 then discusses the potential of reforms to increase equity in education. In light of the research findings on the role of preschool and of resources presented in the report, it is argued that a resource distribution system aiming for high equity should fulfil two criteria. One involves a top-heavy distribution of resources in the education system, i.e. focusing allocated resources on preschools, preschool classes and the early years of compulsory school. The other criterion involves the differentiation of resources based to a large extent on the composition of the pupil group. From the review of how the resource distribution system functions today and how it functioned prior to the municipalisation reform, it is concluded that neither of these systems sufficiently meets these criteria.

To address these problems, reforms are proposed that will reinforce the municipalities' obligations to meet the national objectives for the different levels of the education system, while the municipalities retain their freedom to design – and finance – their activities to meet these objectives. Indirectly, this probably means that many municipalities will have to increase resources to preschools, preschool classes and the early years of compulsory school, in addition to increasing the differentiation of resource distribution between schools with different pupil group compositions. Here, central government will not explicitly regulate how the municipalities meet the national objectives. To enable this, it is recommended that national diagnostic tests, measuring both cognitive and non-cognitive aspects, be considered for preschool children. The concrete nature of the test results leaves little room for interpretation and arbitrary assessments. They could therefore help force the responsible authority to deal with children with learning and concentration difficulties at an early stage, which

could potentially greatly benefit equity in later years. A further measure to improve school evaluations is to clarify what is meant by 'equal standard in education' in school legislation, curricula and other provisions.

In addition to improving the prospect of early action for children whose circumstances are less favourable, information from preschool tests would provide a very valuable source of data for increasing our knowledge of how preschool works. This should be supplemented with information on the children's background. Unlike for compulsory school, there is currently no registered data on which children and pupils attend preschool. At present, there are also inadequacies in terms of the compulsory school data available to researchers. This has led to there being only a very limited number of quantitative studies in this area, which has had a serious impact on knowledge of the effects of Swedish education policy.

In cases where knowledge of what works and what does not work is particularly important, it would be valuable to introduce small-scale pilot schemes involving the same kind of very ambitious – and costly – preschool programmes conducted in the USA, targeting children from disadvantaged homes. This should be considered given their apparently very strong influence on children's later academic performance, etc. This resource could lie outside the municipalities' ordinary budgets and be associated with an application process that selects the most deserving programmes.

The potentially important role of preschool in later academic performance, along with the increasingly high demands on the standard of preschool and preschool class activities, suggests that compulsory school attendance from an earlier age should be considered. It is therefore proposed that preschool class attendance be made obligatory.

Finally, it is recommended that opportunities for salary progression be expanded for preschool and compulsory school staff. The wage spread amongst teachers is very modest and considerably smaller than in other professions. An increased wage spread, combined with greater differentiation in resource distribution to benefit schools in vulnerable areas, could be one way of adjusting the relative capacity of school management areas to recruit the best teachers. With more resources, schools in vulnerable areas would then have a financial head-start to use salaries as an instrument to attract staff, compared with schools in

more prosperous areas, with fewer resources, that already have an advantage due to their typically calmer and more comfortable working environment.

# 1 Inledning

Den svenska grundskolan har under många decennier präglats av en alltmer långtgående decentralisering av makt och ansvar till kommuner och skolenheter. En stor del av denna decentralisering har gällt finansieringen av grundskolan. Utvecklingen har gått från ett strikt reglerat centralstyrt finansieringssystem vid grundskolans tillkomst till dagens utpräglat decentraliserade system med stor frihet för kommuner och skolenheter. Kulmen i denna process nåddes i början av 1990-talet i och med den stora kommunaliseringens reformen<sup>2</sup> 1991. Reformen brukar beskrivas som decentraliseringens sista steg, då en betydande maktförskjutning skedde i fråga om ansvaret för skolan, från staten till kommunerna. En avgörande förändring bestod i att de öronmärkta statsbidragen till grundskolan, som dittills varit en framstående del av statens styrning av skolan, ersattes med ett samlat sektorsbidrag. En annan viktig aspekt av kommunaliseringens reformen var att de dittills statligt reglerade lärar- och skollära tjänsterna upphörde, så att kommunerna fick ett odelat arbetsgivaransvar för all personal i grundskolan. Dessa förändringar beskrivs som oerhört dramatiska ur ett skolhistoriskt perspektiv av flera bedömare, däribland Staffan Lundh, Peter Honeth och Ulf P. Lundgren i intervjuer för denna rapport.<sup>3</sup> Bara en kort tid efter kommunaliseringens reformen, 1993, lades sektorsbidraget ihop med flera andra statsbidrag i ett generellt statsbidrag. En schematisk illustration över dessa skeenden, tillsammans med tidigare förändringar av grundskolans resursfördelningssystem, ges i Figur 1.1

<sup>2</sup> Termen kommunalisering är något missvisande eftersom det i själva verket råder ett delat huvudmannaskap för skolan mellan staten och kommunerna både före och efter den reform som åsyftas. Termen ska därför tolkas som att en betydande maktförskjutning från staten till kommunerna genomfördes, även om staten behöll ett visst ansvar.

<sup>3</sup> Se Appendix 1 för en förteckning av intervjuerna.